

VIRGINIA: A SCHEDULED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS
HELD IN THE GENERAL DISTRICT COURTROOM OF THE SURRY COUNTY
GOVERNMENT CENTER ON THURSDAY, FEBRUARY 4, 2016 AT 7:00P.M.

PRESENT: SUPERVISOR JOHN M. SEWARD, CHAIR
SUPERVISOR JUDY S. LYTTLE, VICE-CHAIR
SUPERVISOR KENNETH R. HOLMES
SUPERVISOR GIRON R. WOODEN, SR.

ABSENT: SUPERVISOR MICHAEL H. DREWRY

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MR. BRENDAN HEFTY, HEFTY & WILEY, COUNTY ATTORNEY
MS. TERRI HALE, DIRECTOR OF FINANCE
MS. GAIL CLAYTON, CLERK OF CIRCUIT COURT
MRS. DEBBIE NEE, COMMISSIONER OF THE REVENUE
MRS. FAYE WARREN, TREASURER
MR. STANLEY JONES, SUPERINTENDENT, SURRY PUBLIC SCHOOLS
MRS. MELISSA HARVEY, FINANCE DIRECTOR, SURRY PUBLIC SCHOOLS

CALL TO ORDER/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

The meeting was called to order by Chairman Seward who then asked for a moment of silence. Following the moment of silence, she asked those present to stand and say the pledge of allegiance. Chairman Seward stated that Supervisor Drewry was unable to attend the meeting due to a recent injury.

CONSENT ITEMS

1. Approval of January 21, 2016 Minutes, Board of Supervisors
2. Approval of February 2016 Accounts Payable:

	Accounts Payable	Additional	Total
General Fund	\$93,470.66	\$89,718.53	\$183,189.19
Debt Service	\$0.00	\$0.00	\$0.00
Capital	\$57,138.06	\$32,263.16	\$89,401.22
Water & Sewer	\$3,175.48	\$11,530.93	\$14,706.41
CSA	\$8,650.00	\$29.63	\$8,679.63
Indoor Plumbing	\$0.00	\$0.00	\$0.00
Juror Payments	\$0.00	\$0.00	\$0.00
Totals	\$162,434.20	\$133,542.25	\$295,976.45

3. Appropriation Requests:

School System - February 2016	Instruction	\$875,194.00
	Admin./Health	\$63,573.83
	Pupil Transp.	\$70,464.83
	Operation/Maint.	\$79,179.67
	Food Serv.	\$36,721.50
	Debt Service	\$0.00
	Capital Projects	\$0.00
	Technology	\$39,326.17
	Total	\$1,164,460.00
Dept. of Social Serv. - February 2016		\$150,000.00

Supervisor Lyttle made a motion that the Board approve the Consent Items as enumerated. Supervisor Holmes seconded the motion. Supervisors Lyttle, Homes, Wooden and Seward voted affirmatively to approve the motion.

PUBLIC HEARING

1. FY 15-16 Proposed Budget Amendment

Chairman Seward called the public hearing to order. Mr. Franklin stated that the public hearing was being conducted to receive public comments regarding a proposed amendment to the FY 15-16 School System Budget to allow for the carryover of \$493,077 from the FY 14-15 School System Budget. This public hearing is held pursuant to §15.2-2507 of the Code of Virginia. Categorical assignment of the funds is as follows:

\$ 350,000.00	Instructional
\$ 105,542.00	Operations & Maintenance
<u>\$ 37,535.00</u>	Cafeteria
\$ 493,077.00	

Mr. Stanley Jones, Acting Superintendent, and Ms. Melissa Harvey, Finance Director, made a brief presentation to the Board. Chairman Seward opened the floor for public comments.

Mrs. Helen Eggelston (Dendron District) inquired how carryover funds could be available in the third quarter.

There being no further comments from the public, Chairman Seward closed the floor to public comments. He then stated that the funds were from the

previous fiscal year and only now were available, following the audit, to be applied to the current fiscal year.

Supervisor Lyttle made a motion that the Board authorize an amendment to the FY 15-16 School System budget in the amount of \$493,077 and appropriate the funds as previously enumerated. The motion was seconded by Supervisor Wooden and unanimously approved.

PROGRESS REPORTS

1. VDOT

No Report

2. Treasurer

A. Investment Letter

Faye P. Warren, Treasurer, appeared before the Board to present the Investment Letter which stated that at the January 21, 2016 meeting, it was reported that the balance in the LGIP Fund was \$23,680,776.32. Since that report, accrued interest for December, 2015 in the amount of \$4,314.19 had increased that balance to \$23,685,090.51. As of February 4, 2016 the County had \$24,193,025.09 in total investments, including one CD valued at \$507,934.58 which will mature on January 18, 2017.

3. County Administration

Chairman Seward recognized Mr. and Mrs. Sam Edwards to express the County's regret at the recent loss of their business to fire. He pledged the County's support in assisting them to rebuild in Surry County.

A. Presentation: Robinson, Farmer and Cox, Audit Report for FY 14-15

Mr. Paul Lee of Robinson, Farmer and Cox addressed the Board to present audit findings for FY 2014-2015. He commended County staff for their preparedness and fiscal documentation and reported that the County was in good fiscal condition. Mr. Lee informed that one comment was issued with regard to funds transferred from the County into the Virginia Retirement System (VRS).

Supervisor Holmes made a motion to accept the FY 14-15 Audit Report as presented. Supervisor Wooden seconded the motion; all present voted affirmatively.

B. Presentation: Hampton Roads Sanitation District

Mr. Franklin introduced Mr. Ted Henifin, Hampton Roads Sanitation District (HRSD) General Manager, who addressed the Board to provide information pertinent to the County's interest in becoming a

member of HRSD. He stated that the mission of the organization was to protect the health of the seventeen member communities and 1.7 million customers that they serve. Mr. Henifin further reported that HRSD was nationally recognized for their service and that they have a history of full compliance with all regulations. He detailed some of the benefits of membership in HRSD including:

- Professional staff owning, operating and managing liabilities for existing systems
- Ensure wastewater treatment capacity
- Costs for capital investment in facilities is spread across entire customer base
- Wastewater treatment issues are no longer a liability for local governments

Mr. Henifin reported that the next step in the process would be for further discussion to take place between HRSD and County staff regarding agreement terms. The County would then need to petition the Circuit Court to become a member of HRSD with the Circuit Court Judge scheduling and overseeing a public hearing. The judge would then decide the outcome.

Following Mr. Henifin's presentation, he engaged with Board members for further discussion reporting that the County's current wastewater system was at capacity. Members discussed the effect utilities have on economic development and funding of system improvements under HRSD control. Mr. Henifin suggested that future regulation of water/wastewater systems may create a financial hardship on small localities as they try to fund mandated improvements. Additionally, he stated that the same opportunity to work with HRSD would be available to the Town governments within Surry County.

C. Presentation: Director of Finance

Ms. Terri Hale, Director of Finance, addressed the Board to provide a Year-to-Date report for the current fiscal year and to facilitate discussion regarding the fiscal climate for the upcoming FY 16-17 budgeting process. Ms. Hale reported that local revenues constitute 92.1% of the General Fund Budget. She reviewed projections and actual appropriations of local revenues and state revenues, and discussed General Fund expenditures to date. School Fund revenues and expenditures were also examined. Ms. Hale reported that the County's reassessment of real estate would become effective in 2016 affecting the real estate and public service levies/assessment ratio. She also reviewed legislation presented to the 2016 General Assembly which may affect the FY 17 budgeting process. ***(A copy of Ms. Hale's***

presentation is attached as an integral component of these minutes.)

D. Employee Identification Badge Policy

Mr. Franklin presented a new policy which, if adopted, will establish guidelines for the issuance of a photo identification badge to all employees and dictate the use of said badge by employees while at work or when representing the County of Surry in an official capacity. The purpose of the policy is to ensure a safe and secure workplace for all employees and citizens.

Supervisor Lyttle made a motion that the Board adopt the Employee Identification Badge Policy as presented. Supervisor Holmes seconded the motion which passed with unanimous approval.

E. Certification Request from the Treasurer's Office

Mrs. Faye Warren, Treasurer, presented the Board with a Certification Request for a refund of Real Estate Tax in the amount of \$1,837.14 due to Reverse Mortgage Solutions of Houston, Texas of behalf of The Academy Trust for Tax Map parcel #15-9B. The taxes were erroneously overpaid.

Supervisor Wooden made a motion that the Board authorize a refund in the amount of \$1,837.14 as requested. Supervisor Holmes seconded the motion; Supervisors Seward, Lyttle, Wooden and Holmes voted affirmatively.

UNFINISHED BUSINESS

1. Board Reorganization

Chairman Seward made the following appointments to Board Committees:

Buildings and Grounds – Supervisors Wooden and Drewry

Personnel – Supervisors Seward and Lyttle

Fiscal Affairs – Supervisors Seward and Holmes

The following appointments were made for representation on County Boards and Commissions by motion from Supervisor Lyttle, second by Supervisor Holmes and unanimous vote:

Planning Commission – Supervisor Lyttle

Highway Transportation Safety Commission – Supervisor Wooden

Social Services Board – Supervisor Holmes

Crater Planning District Commission – Supervisor Seward

Hampton Roads Planning District Commission – Supervisor Seward

2. Appointments: Surry County Economic Development Authority

Supervisor Wooden made a motion that the Board appoint Mr. Lafayette Powell as Claremont representative to the Economic Development Authority for a term beginning July 1, 2015 and ending June 30, 2019. The motion was seconded by Supervisor Lyttle and unanimously approved.

NEW BUSINESS

None.

CITIZEN COMMENTS

Mr. Sam Edwards (Surry District) addressed the Board requesting a timely and favorable response to membership in HRSD. He stated that increased wastewater treatment capacity would be essential to his ability to rebuild his business in Surry County.

Mr. Mike Eggleston (Dendron District) addressed the Board regarding concerns about water quality, roadside litter, the need for a manned solid waste facility in the Dendron area and website insufficiencies.

Mrs. Helen Eggleston (Dendron District) spoke to the Board to apologize for her misunderstanding of the earlier topic of carryover funds.

There being no further comments from the public, Chairperson Seward closed the floor for citizen comments.

ADJOURNMENT

There being no further business before the Board, Supervisor Lyttle made a motion to adjourn. Supervisor Wooden seconded the motion; the motion passed with unanimous approval.



FY16 Mid Year Financial Report & FY17 Financial Outlook

Mid Year Reporting - For the period ending December, 2015

Terri E. Hale
Director of Finance
February 4, 2016

Local Revenue Sources

Local Revenues Constitute 92.1% of the General Fund budget.

Revenue Source	FY16 Appropriation	FY16 Projected	FY16 Collections at 012/31/2015	% of Projection at 12/31/2015
Real Property Taxes	\$ 6,850,000	\$ 6,734,628	\$ 6,102,250	90.6%
Public Service Taxes	12,797,122	13,049,053	13,049,053	100.0%
Personal Property Taxes	1,276,000	1,275,052	1,038,126	81.4%
Penalties & Interest	175,000	141,136	57,146	40.5%
Other Local Taxes	670,000	554,148	248,973	44.9%
Permits, Fees & Licenses	51,800	106,900	19,375	18.1%
Court Fines & Forfeitures	50,000	26,964	14,397	53.4%
Use of Money & Property	84,126	96,595	49,199	50.9%
Charges for Services	133,846	152,017	60,960	40.1%
Miscellaneous	10,300	39,976	37,909	94.8%
Total from Local Sources	\$ 22,098,194	\$ 22,176,469	\$ 20,677,388	93.2%

State Revenue Sources

State Revenues Constitute 8.1% of the General and VPA Funds

Revenue Source	FY16 Budget	FY16 Projected	FY16 Collections At 12/31/2015	% of Projection at 12/31/2015
Non-Categorical Aid	\$ 756,369	\$ 756,941	\$ 569,427	75.2%
Shared Expenses	841,639	848,027	326,418	38.5%
Welfare Administration	254,212	224,222	74,695	33.3%
Other Categorical Aid	<u>192,097</u>	<u>205,280</u>	<u>94,887</u>	46.2%
Total from State Sources	\$ <u>2,044,317</u>	\$ <u>2,034,470</u>	\$ <u>1,065,427</u>	52.4%

General Fund Expenditures

<u>Function</u>	<u>FY16 Appropriation</u>	<u>Expenditures at 12/31/2015</u>	<u>Percent Spent</u>	<u>Unencumbered Balance</u>	<u>Percent Unencumbered</u>
Genl Government Administration	\$ 1,829,741	\$ 749,612	41.0%	\$ 1,080,129	59.0%
Judicial Administration	451,037	215,576	47.8%	235,461	52.2%
Public Safety	3,383,433	1,386,981	41.0%	1,996,452	59.0%
Public Works	1,271,110	626,631	49.3%	644,479	50.7%
Other Agencies	633,479	326,489	51.5%	306,990	48.5%
Social Services	2,019,716	832,908	41.2%	1,186,808	58.8%
Colleges & Universities	3,945	1,445	36.6%	2,500	63.4%
Parks, Recreation & Cultural	632,303	331,267	52.4%	301,037	44.6%
Community Development	512,815	244,938	47.8%	267,878	52.2%
Total by Function	\$ 10,737,579	\$ 4,715,847	43.9%	\$ 6,021,734	56.1%

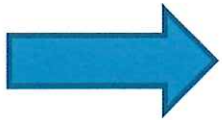
School Fund Revenue (incl. cafeteria)

<u>Revenue Source</u>	<u>FY16 Appropriation</u>	<u>FY16 Revenues at 12/31/2015</u>	<u>% of Appropriation at 12/31/2015</u>
Local	\$ 12,250,000	\$ 6,210,760	50.7%
State	2,682,036	1,330,031	49.6%
Federal	<u>932,318</u>	<u>349,528</u>	37.5%
Total School Fund	\$ 15,864,354	\$ 7,890,319	49.7%

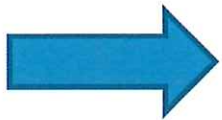
School Fund Expenditures

Function	FY16 Appropriation	Expenditures at 12/31/2015	Percent Spent	Remaining Balance	Percent Unspent
Instruction	\$ 10,594,515	\$ 3,872,568	36.6%	\$ 6,721,947	63.4%
Admin, Attendance & Health	909,021	429,344	47.2%	479,677	52.8%
Pupil Transportation	1,016,907	344,660	33.9%	672,247	66.1%
Operation & Maintenance	2,090,110	1,162,394	55.6%	927,716	44.4%
Technology	695,340	285,437	41.0%	409,903	59.0%
Cafeteria	558,461	194,550	34.8%	363,911	65.2%
Total Schools	\$ 15,864,354	\$ 6,288,953	39.6%	\$ 9,575,401	60.4%

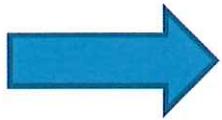
ITEMS OF INTEREST IN FY17:



Reassessment to become effective in 2016, affect on real estate and public service levies, assessment ratio



The Governor's budget includes additional funding of \$550 per student in direct aid support. 764 students = \$420,200



No apparent reductions in constitutional officers funding; current local share for all 5 offices is approximately 67%